

Healthcare Playbook: Issues and Structure for the 2016
Presidential Campaign

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(This document was not solicited by the candidate)

This document is divided into two parts; a new direction for healthcare policy and a suggested different approach to organize healthcare for the campaign.

Policy

I believe that the healthcare policy agenda for the 2016 Campaign should acknowledge that the ACA has helped millions of Americans but that now it is time to move on to addressing the current and emerging healthcare issues affecting middle class Americans everyday; issues that directly affect them financially and some specific policy proposals to help protect their children.

1. Embrace, define and provide a solution to address the rapidly emerging consumer movement which is being fueled by the 40% of Americans who now have high deductible plans (more specifics below, Message 1). This growing segment of the middle class needs leadership in helping them begin to determine how to best spend their own dollars until their insurance coverage kicks in. The platform should call for more pricing transparency, improved quality reporting and an education program that teaches them how to become better consumers. "It is your money; you should have the price and quality data that is necessary to make the decisions that is in the best interest of you and your family".

As part of the consumer movement, you should encourage people to have a personal health record and to own their own data, their children's data and in the case when they have elderly parents, their parents data.

2. Similar to the recent firestorm around vaccinations, these are just three examples of other specific issues that could highlight your concern as a parent and grandparent relative to the safety of children and teenagers;
 - Texting and driving

- Prescription drug abuse
- HPV vaccine to prevent cervical cancer in women

Outlined below are some bullet points about each of these issues to help frame the issues.

Message 1- The need for pricing transparency, quality data and to teach Americans how to be healthcare consumers

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The Affordable Care Act has redefined the new American healthcare system (healthcare 1.0). The consumer movement in this new paradigm has the potential to be so disruptive, that it could define the next set of changes to the healthcare market, “Healthcare 2.0”.

Many policy experts and economists believed that the only real path to driving down costs, improving quality and increasing efficiency in the healthsystem was to make patients into consumers. The concept was that if we shifted the cost of care to the patient, they would act like they do in other consumer markets and “shop” for the best value. Up until recently, one of the largest cost drivers has been theinsurance system that does not hold the patient responsible for the cost of care. Since the patient was not responsible for the cost of care, they paid little attention to the charges and the cost of health. Costs naturally rose unchecked. In addition, since there was no competitive pricing, there was little incentive to improve quality.

Almost overnight, the era of patient responsibility arrived as a result of the rapid increase in the number of patients and families with high deductible health plans (HDHPs). Close to 40% of the U.S. population now have high deductible plans and the rate is rapidly increasing. This

change is being driven by large companies, 81% which now offer a HDHP and one third offers only a HDHP. For the first time in recent history, a large segment of the U.S. population is now responsible for a significant portion of their cost of care.

However, the presumption that patients would become savvy consumers, shopping for lower price and better quality has not occurred in many markets. In contrast to what the policy experts and economists believed, patient engagement with the healthcare system when they have high deductible plans has been dismal and in some circumstances, their healthcare is actually getting worse. In a recent poll, 33% of people say that they have put off medical treatment because of price, the highest in the 14 year history of the poll. Instead of embracing the consumer movement, many patients have decided to not spend the money to meet their deductible and have gone without needed healthcare. Patients' with high deductible health plans (HDHPs) have reduced number of physician office visits, reduced number of prescriptions filled, and lower number of cancer screenings. In one group of patients with deductibles of over \$ 1000, 44% avoided getting necessary care. When patients have engaged, the early data indicates that when they act as consumers, they are making decisions solely based on price as adequate quality data is unavailable. This can be a disastrous decision. Over 50% of people have chosen the cheapest plan off the exchanges with little understanding of the tradeoff they are making relative to the limited network of caregivers and hospitals they have chosen. When deciding on a provider, do we really want people choosing the "cheapest" provider without understanding the quality of the physician or the quality of their results? Would you want a heart surgeon that charges \$1000 less than their competitors to perform your heart surgery without knowing how many patients have died while undergoing surgery under their care?

Recognizing that patients will now control significant amounts of the healthcare dollars, the market is responding quickly to the consumer movement by providing alternative care venues for direct to consumer delivery of services including pharmacies and large retailers offering direct healthcare services for a variety of conditions.

In an effort to counteract the negative patient behaviors associated with HDHPs, the insurers have moved to improve patient engagement through patient activation and behavior economic strategies such as value based insurance, altering co-pays for high value services, reminders, hovering, group lottery incentives, and altering choice architecture. These types of strategies will help to improve patient behavior, but it doesn't realize the goal of achieving a fully engaged consumer model whereby patients are actively seeking the best possible care at the lowest price.

Although significant barriers still exist, particularly the lack of price transparency and objective quality data on physician and hospital performance, we need to educate the American public as to how to better navigate through and around the current system. For example, a patient with a high deductible plan seeking a knee replacement might ask the following questions of his/her orthopedic surgeon;

Are you in my network?

How much of the bill will I have to pay?

What are the hospital costs for the procedure?

What other physician or charges can I expect (anesthesiologist)?

How many of these types of procedures have you done before?

How many of your patients have you had to re-operate on?

Do you know how often you have had major complications such as infections?

Can you give me the names of three patients who have had a similar procedure that I can call to get a reference?

Patients in the past have been reluctant to ask these types of questions and physicians in general have been uncomfortable when they are confronted with these types of conversations. Yet, it is these types of conversations that will help drive improved quality and better value into the system.

Although we desperately need more pricing transparency and more rigorous methods for quality reporting, we need a proactive approach to educate patients on how they should best spend their dollars to make the best possible choices. Finally, once they are educated on how to make their healthcare choices, we need to make it easy for patients to access this information so that they can ultimately do comparison shopping as in other consumer markets. We need a strategy to make patients great consumers of healthcare.

Message 2-Texting and Driving is a major killer of young adults. 11 teenagers a day are dying related to texting and driving

- People are 23 times more likely to have accident while texting
- 23% of all accidents are now related to texting
- it is six times more likely to have an accident from texting than from alcohol
- texting causes 18% of all fatal crashes

-there are 3000 deaths/year and 500,000 injuries related to texting

A call for a technology solution to address this problem is desperately needed.

Message 3- The national prescription drug crisis; more people die from prescription drugs than heroin and cocaine combined.

-50 million Americans are in chronic pain

-10 million Americans are abusing prescription drugs

-there are 16,500 deaths per year from prescribed opioids, many teenagers and young adults

-there are 500,000 emergency room visits per year related to prescription drug abuse

-hospital admission increased 400% 10 years as a result of prescription drug abuse

Many States are enacting legislation to begin to address the issue but there is a need for a federal solution and a comprehensive plan to address the crisis.

Message 4- Vaccinations

“The science is clear: The earth is round, the sky is blue and vaccines work. Let’s protect all our kids. “Was great!

Although the measles vaccine controversy might have played out by the time the general campaign gets into gear, it might be worth keeping the conversation alive with a discussion and support for the HPV vaccine which can prevent 70% of cervical cancers.

- about 79 million Americans are infected with HPV
- every year about 12,000 women are diagnosed with cervical cancer and 4000 women die each year from the disease.
- States with the lowest rate of teen vaccinations have the highest rate of cervical cancers
- Only 38% of women adolescents in the country have been vaccinated

Message 5: The positive impact of the ACA:

- over 10 million people now have health insurance that has not had it in the past
- the lifetime cap for medical expenditures has been eliminated for over 100 million Americans
- over 80 million Americans have had free preventive screenings
- over 6 million young adults now have health insurance by being part of their parents plan
- over 8 million seniors have saved over \$ 8 billion on prescription drugs
- over 100,000 people with pre-existing conditions who in the past could not get health insurance now have health insurance

Reminder; Why having insurance is so important

There has been so much debate and discussion around the structure of the ACA but we have forgotten to remind people about why having health insurance is so important to begin with;

The uninsured person;

- has a 25% higher risk of death

- is less likely to get recommended screenings
- gets less care for chronic conditions
- have an increased number of undiagnosed chronic conditions
- is more likely to receive substandard care

People who have health insurance have a regular source of care, get care when it is needed, improves their well-being economically, avert developmental problems in kids, use less hospital services, and decrease the costs to public programs. Disease for disease they are better off than those without health insurance.

Campaign Structure for Healthcare

While there are many different domestic policy areas, healthcare will most likely be one of the more central issues during the campaign. Historically, the usual campaign structure significantly inhibits effective decision making for a large policy area that touches many different parts of the campaign. As in previous campaigns, there will be hundreds of healthcare groups trying to get the attention of the campaign, thousands of healthcare professionals who will want to help/volunteer, many policy issues, hundreds of requests for surrogate speakers for healthcare events and the opportunity to do hundreds of fund raising events with healthcare groups. Instead of the usual campaign structure, I suggest that the campaign consider a structure whereby there is one healthcare organization within the campaign with a defined leadership structure that would be responsible for developing a strategic plan and executing on a plan to address:

Healthcare policy

Healthcare surrogate operations, which would include message development and surrogate training

Healthcare communications

Fund raising around healthcare issues and healthcare constituency groups.

Leveraging the healthcare community to get out the vote.